



Globalisation, sustainability, governance: the role of housing

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- The pressing global problems require much more coordination within the system of sovereign states, as we have it today.
- The world needs a better global governance system, rule-based: a global contract, aiming at a global eco social market economy, climate justice, the perspective of worldwide citizen rights and a worldwide democracy.
- A Global Marshall Plan is a first step in this direction.
- These insights build on the work of the Club of Rome, starting with „Limits to Growth“ in 1972.
- These insights are based on rigid science - a unified earth theory.



Window of Opportunity: Global Governance 2009-2012

The countdown concerning the world's future has started. Faster than expected, decisions on major questions of global governance are currently being negotiated.



The vision: Go EcoSocial

This vision is a better Global Governance and a type world economic system, value-based, of the type of an EcoSocial market economy

EcoSocial instead of market-radical



Major Areas of Global Governance

- Peace and war
- World trade (WTO)
- World financial system (Bretton Woods II)
- Taxes / Regulation of tax heavens
- Climate change (Kyoto II)
- Environment
- Development
- Millennium Development Goals
- Cultural balance



What is on the table of international negotiations right now (2009-2012)?

Three major topics are on the negotiation table now:

- World financial system (Bretton Woods II)
- Taxes / Regulation of tax heavens
- Climate change (Kyoto II)

These three areas constitute about 50 percent of the critical Global Governance issues to be solved. They are those issues with the biggest impacts on money flows and property rights. Therefore, action takes place when things become difficult, as strong actors and much money is involved. It is an important step towards a balanced future that negotiations of all these issues take place at the G20 level instead of the e.g. the G8 level.



What prospects are ahead for the future?

(thinking of a world of **10 billion people** around 2050)

Collapse
(15 percent)

(The climate issue is not solved,
the social issue, worldwide, is not solved)

Brasilianization
(50 percent)

(The climate issue is solved - more or less,
the social issue, worldwide, deteriorizes towards
brazilianisation patterns, also in the rich world of today)

Balance
(35 percent)
(eco-social future)

(The climate issue is solved,
the social issue as well, leading to a wealthy,
socially balanced world)



The intellectual basis

- Work concerning a balanced future takes place on a strictly **scientific basis**.
- It builds on a **unified earth theory**.
- This is coupled with an internationally oriented philosophy and ethics: **world ethos**
- This is translated into a market system approach that has proved most successful on the level of nation states: **EcoSocial market paradigm**
- The power of globalization and of progress in information and communication technologies is incorporated into this picture.
- The present **world financial crisis** underlines the need for a well regulated global governance and order.



The role of housing is crucial

- Housing and land management plays an important role for the living conditions of humans.
- Housing is closely connected to the following issues:
 - Real estate and economy
 - Real estate and safety in everyday life
 - Real estate and financial system
 - Real estate and innovation
 - Real estate and social concerns
 - Real estate and demography
 - Real estate and culture
 - Real estate and energy
 - Real estate and environment
- Housing is different from other parts of the economy – therefore, governments have a special role.
- The housing sector is a “heavy weight” concerning economic indications.
- The housing sector is crucial for **sustainability** with a share of the ecological footprint of a country of up to 40 percent.
- A “poor” housing sector reflects a society out of balance, while an unbalanced society creates a “poor” housing sector.



Prospects for the housing sector

- If we achieve market societies compatible with sustainability, that future of society is good – EcoSocial future / double factor 10
- The EcoSocial case reflects a good future for the housing sector
- If an EcoSocial future is not achieved, the alternatives are two-class societies (“Brazilianisation of the world”) or an ecological collapse
- Mike Davis’ “Planet of Slums” could become reality
- For the balanced case, the right kind of regulation is needed, in particular also for housing and land management
- Markets alone will not do – governance is a crucial issue



Major components and concepts used

- The basis of the approach is the work of the Club of Rome on the issue, starting with „Limits to Growth“ in 1972
- The actual frame is a unified earth theory, based on earlier analyses in the context of the **Information Society Forum of the European Union** (1995-2000)
- The work was steadily sponsored by research programmes of the EU
- Presentation of the work was part of **EXPO 2000** in Hannover
- We build on economic theories concerning dematerialized growth and corresponding innovations, with strong ties to the Club of Rome's work
- Factor 4 / factor 10 concepts



- The concept of **ecological footprint** and of net photosynthetic productivity of the biosphere
- A global cap and trade system and **climate justice** for dealing with the climate issue
- A mathematical **(equity) theory** for social balance, referring to the EU definition of who is regarded as being poor



Major References

- With Hernando de Soto, we share the idea, that property rights have to be registered much more smoothly than today in many developing countries.
- With John Rawls we share the idea, that concepts of justice have to be discussed without knowing, who we will be afterwards.
- With the Global Marshall Plan Initiative, we share the principles that Governance is a central issue / **co-financing vs. standards** is a leading principle / a **global contract** is a vision.
- With Al Gore, we share the vision of a Marshall Plan for the environment, coupled with the idea to overcome poverty.
- With Muhammad Yunus, we share the vision, that poverty can be eliminated, that microcredit is an important tool for this, and that social entrepreneurs have an important role to play in the future.
- With Amartya Sen, we share the idea, that freedom is an essential concept, but that freedom requires education for everybody as well as the taking over responsibility for problems caused, e.g. in the climate field.
- With Joseph E. Stiglitz, we share the idea, that WTO rules have to give an advantage to those who are disadvantaged.



Some interesting activities, that are worth being supported:

- (1) The 0.7 percent campaign to promote development cooperation
- (2) Advocating for a **parliamentary assembly at the United Nations** *
and eventually for world citizen rights
- (3) Pursuing the topic of climate justice / building on the Copenhagen Accord, implementing a strict world forest regime, implementing a reforestation programme on 5 million km², financed via climate-neutrality activities
- (4) Argumentation for the establishment of a world tax agency
(for the allocation of information for the time being)
- (5) Argumentation for a consistent regulation of the world finance system, including the implementation of a **security transaction tax** (a generalized Tobin Tax) and of a **leverage money tax**, that could considerably contribute to reducing the annual new indebtedness of states (additional tax volume beyond 1 trillion US\$ a year)

** Contribution to a democratization of the world / this requires more than a democratization of all nation states*



- (6) International harmonization of tax bases (this is expected to increase annual tax income worldwide by some 500 billion US\$ a year*)
- (7) Isolation of tax paradises and offshore islands which detract themselves from certain standards or tax levels (this is expected to yield another annual increase in tax income worldwide of some 500 billion US\$ a year*)
- (8) Implementation of a coherent sustainability labelling system concerning the genesis of goods and services, to give consumers qualified information as a basis for their **purchasing decisions**. (WTO conformity is required but should not be a problem)
- (9) Labelling systems as asked for in (13) should cover the **complete supply chain**. Governments, e.g. in Europe, should control the quality of such labels.
- (10) Argumentation for a global revolution towards increased resource efficiency (factor 4/10). However, only in combination with proper regulations to avoid **rebound effects** which historically always counteracted efficiency gains.

** Note that the cumulative annual new debt of all states worldwide today, one of the biggest problems for the future, is about 2500-3000 billion (2.5-3 trillion) US\$.*